



Implenia

January-June 2023

HALF-YEAR RESULTS

**Analysts and Media
Conference**

**Glattpark (Opfikon)
16 August 2023**

DISCLAIMER

This presentation contains forward looking statements which reflect Management's current views and estimates. The forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward-looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.

AGENDA – ANALYSTS AND MEDIA CONFERENCE



Business Update

André Wyss
CEO



Finance Update

Stefan Baumgärtner
CFO



Market Outlook

André Wyss
CEO



Q&A

André Wyss
CEO
Stefan Baumgärtner
CFO



Implenia

EBIT of CHF 49.9 million; currency-adjusted revenue higher than previous year, order book further increased

Equity ratio raised further to 18.0%

Acquisition of Wincasa successfully completed

All Divisions are excellently positioned in the market, offering an attractive range of services

Financial year 2023: Expected EBIT CHF ~120 million and equity ratio >20%

**With strong first-half results
Implenia is on track to meet 2023 targets**



Implenia



BUSINESS UPDATE

2023 Half-Year Results

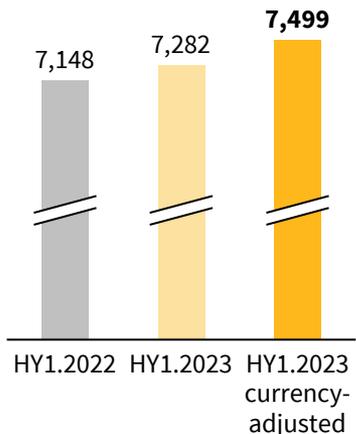
**Implenia Group and
Divisions**

FIRST HALF OF 2023 – WITH STRONG FIRST-HALF RESULTS IMPLENIA IS ON TRACK TO MEET 2023 TARGETS

7,282 (+2%)
currency-adjusted **7,499** (+5%)

Order book

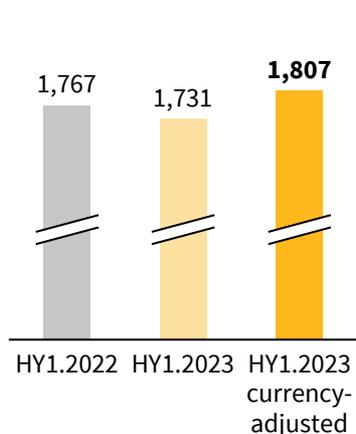
CHF m



1,731 (-2%)
currency-adjusted **1,807** (+2%)

Revenue

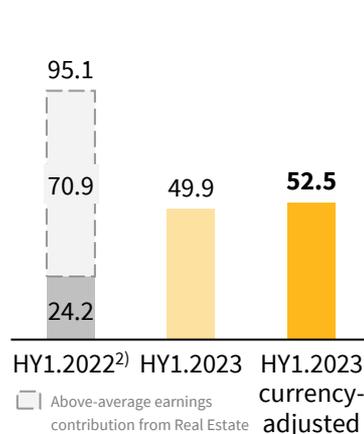
CHF m



49.9 (-47%)
currency-adjusted **52.5** (-45%)

EBIT

CHF m



- Foreign currencies have negative impact on order book, revenue and EBIT
- Further increase in order book¹⁾ to CHF 7.5 billion**; strict application of Value Assurance
- Revenue¹⁾ of CHF 1.8 billion, higher than prior year**
- EBIT¹⁾ of CHF 52.5 million thanks to profitable business in all Divisions**; previous year not directly comparable due to above-average earnings contribution of Division Real Estate

1) Currency-adjusted to HY1.2022 rates

2) Above-average contribution to earnings of CHF 70.9 million from sale of major projects in Winterthur and Baar



Implenia

OUR 4 DIVISIONS



REAL ESTATE



**CIVIL
ENGINEERING**



BUILDINGS



SPECIALTIES

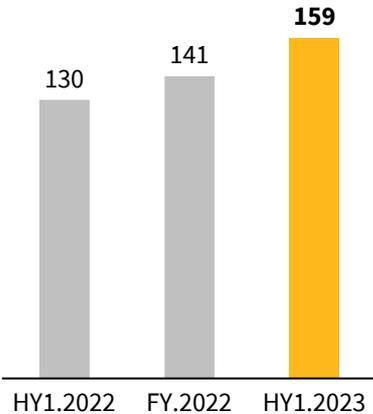


REAL ESTATE – ON TRACK TO ACHIEVE 2023 EBIT TARGET

159 (+22% to HY1.2022)

Real Estate Portfolio¹⁾

CHF m



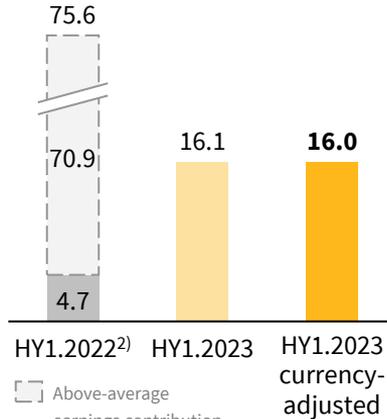
1) Book value
 2) Above-average contribution to earnings of CHF 70.9 million from sale of major projects in Winterthur and Baar
 3) Currency-adjusted to HY1.2022 rates

16.1 (-79%)

currency-adjusted 16.0 (-79%)

EBIT

CHF m



3) Above-average earnings contribution from Real Estate

- **EBIT³⁾ of CHF 16.0 million as expected** below previous year due to above-average earnings contribution from **sale of major projects** in Winterthur and Baar **in HY1.2022**
- Division is on track to achieve its 2023 **EBIT target of over CHF 40 million** through planned transactions
- Book value of existing **real estate portfolio** amounts to **CHF 159 million** (market value end 2022: **CHF 351 million**)
- **Implenia continues to invest** in its own attractive **real estate portfolio**
- Partnership with **Ina Invest continues to develop successfully**

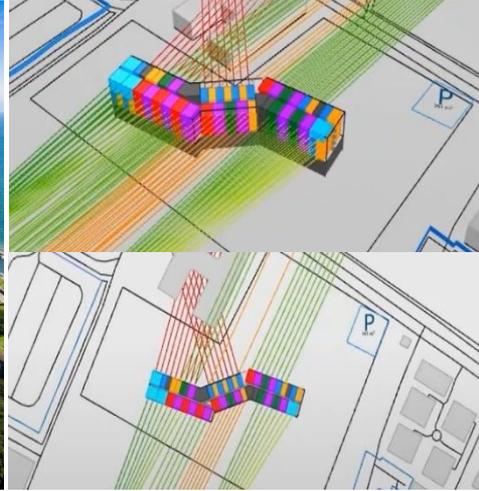
BUSINESS UPDATE

REAL ESTATE – DEVELOPING SUSTAINABLE PROPERTY AND SITES IN ATTRACTIVE LOCATIONS, AND SCALABLE PRODUCTS

Acquisition & project development, Nyon, Switzerland



Product development “Green Hospitality”, Germany



Completion of “Tender”, Lokstadt, Winterthur, Switzerland



Site development “Baar Süd”, Baar, Switzerland



BUILDINGS – INCREASED REVENUE AND EBIT; POSITIVE CONTRIBUTION EXPECTED FROM WINCASA TRANSACTION IN FY 2023

2,814 (-10%)
currency-adjusted 2,832 (-10%)

Order book

CHF m

906 (+6%)
currency-adjusted 920 (+ 8%)

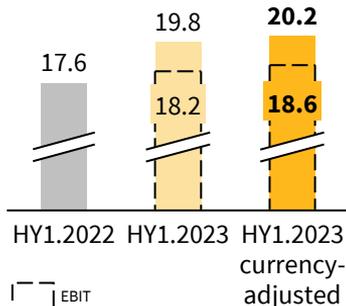
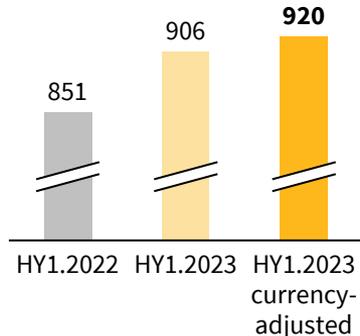
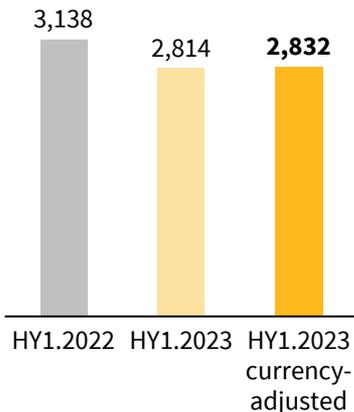
Revenue

CHF m

18.2 (+4%)
currency-adjusted 18.6 (+ 6%)

EBIT

CHF m



EBIT

Operating performance excl. Wincasa

- **Operating performance¹⁾ excl. Wincasa rises to CHF 20.2 million**
- **EBIT¹⁾ of CHF 18.6 million** incl. slightly negative contribution from Wincasa; positive operating contribution minus transaction and integration costs, as well as PPA amortisation
- **Positive EBIT contribution** expected from Wincasa transaction already for the year as a whole
- **Revenue¹⁾ up to CHF 920 million**
- **Order book¹⁾ still high at CHF 2.8 billion** and of good quality despite challenging market environment

1) Currency-adjusted to HY1.2022 rates

BUILDINGS – WINCASA ACQUISITION CREATES ATTRACTIVE SYNERGY AND GROWTH POTENTIAL

Leading real estate services in property, construction and sustainability management

- **Forward integration** and **bundling of capabilities** to create a unique service offering, including in the **use phase**
- **Additional recurring earnings** and higher-margin business (EBIT margin currently ~10%)



>250,000
managed properties



CHF ~81 bn
assets under mgt.



~1,350
employees (FTE)

Half year 2023: post-acquisition integration and positive EBIT contribution as planned

- Integration of Wincasa as **legally and operationally independent unit**
- **Positive** operating **EBIT contribution** alongside one-time **transaction and integration costs** plus PPA amortisation

Short to mid term: substantial synergy and growth potential expected

- 2023 Already **positive EBIT contribution** and **first synergy effects**¹⁾
- From 2024 **Annual EBIT contribution** CHF ~15 m²⁾ and additional **synergy potential**¹⁾ of CHF ~5 m (CHF ~10 m from 2027); sustainable **increase** in earnings per share (**EPS**)

1) Revenue and cost synergies, 2) pre-PPA, before amortisation of intangibles & synergy potential

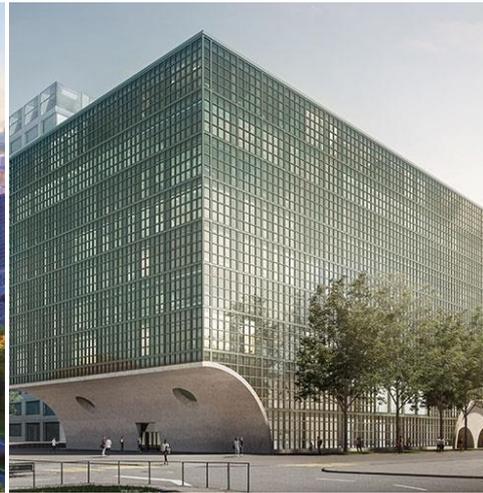
BUSINESS UPDATE

BUILDINGS – PLANNING, BUILDING AND MANAGING LARGE, COMPLEX PROPERTIES FOR DEMANDING CLIENTS

Quartier de l'Étang,
Geneva, Switzerland



New lab building, Department of
Biomedicine, Basel, Switzerland



Center management Shopping
Arena, St. Gallen, Switzerland



Modernisation Brannhof,
Zurich, Switzerland

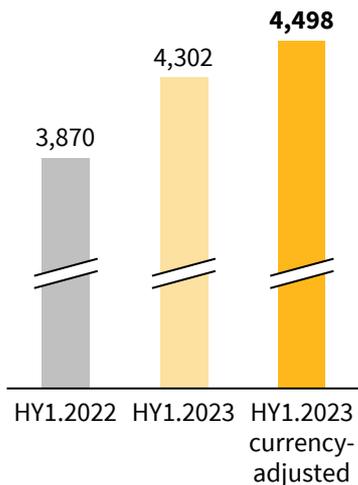


CIVIL ENGINEERING – SIGNIFICANT INCREASE IN EBIT; ORDER BOOK AT RECORD LEVEL AND OF BETTER QUALITY

4,302 (+11%)
currency-adjusted 4,498 (+16%)

Order book

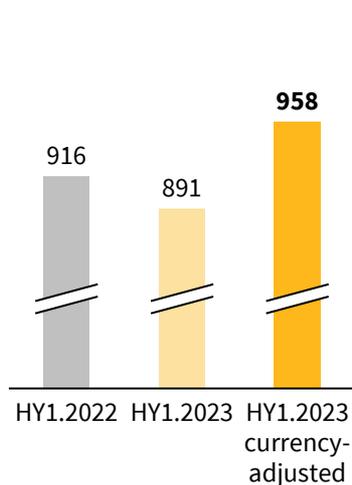
CHF m



891 (-3%)
currency-adjusted 958 (+5%)

Revenue

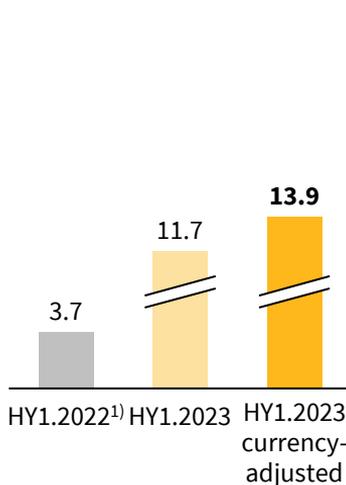
CHF m



11.7 (>100%)
currency-adjusted 13.9 (>100%)

EBIT

CHF m



- **Significant improvement in EBIT²⁾ to CHF 13.9 million**, mostly due to better operating business
- Division is on track for **sustained improvement in profitability**
- **Revenue²⁾ up** on prior year to **CHF 958 million**
- **Record order book²⁾ is worth CHF 4.5 billion** and is of **improved quality** thanks to consistent application of Value Assurance
- **Strong capabilities and market position** for large and complex infrastructure projects
- Strong foreign currency influences on order book, revenue and EBIT, mainly due to Scandinavia

1) EBIT incl. one-time effect of CHF 0.9 million from reversal of restructuring provisions

2) Currency-adjusted to HY1.2022 rates

CIVIL ENGINEERING – PLANNING AND BUILDING FUTURE-ORIENTED ENERGY AND MOBILITY INFRASTRUCTURE PROJECTS FOR EUROPE

“Spitallamm” Dam,
Grimseil, Switzerland



European base tunnel projects:
Gotthard, Semmering, Lyon-Turin, Brenner



District heating tunnel under the Elbe,
Hamburg, Germany



SPECIALTIES – MULTI-YEAR TRANSFORMATION OF THE DIVISION GOING WELL

166 (+19%)
currency-adjusted 170 (+21%)

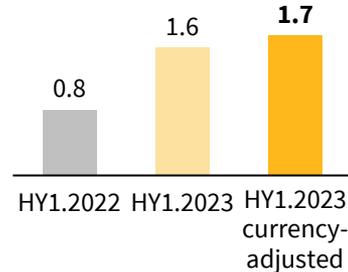
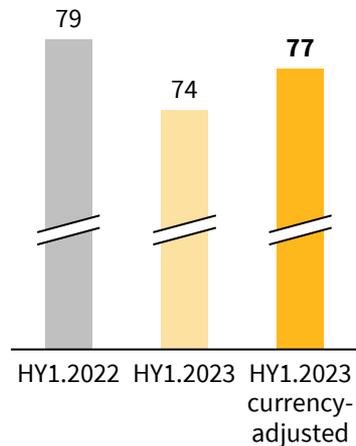
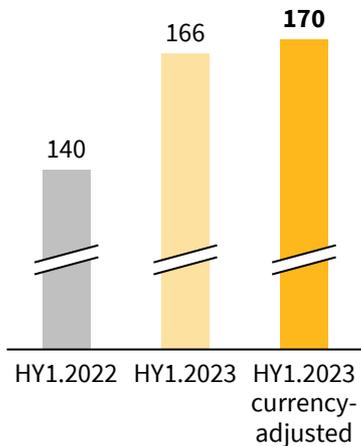
Order book
 CHF m

74 (-6%)
currency-adjusted 77 (-3%)

Revenue
 CHF m

1.6 (+91%)
currency-adjusted 1.7 (>100%)

EBIT
 CHF m



- **EBIT¹⁾ up to CHF 1.7 million**
- **Revenue¹⁾ slightly below prior-year period at CHF 77 million**, due to portfolio effects; by adjusting its portfolio, Division is focusing on profitable growth
- **Order book¹⁾ up to CHF 170 million** thanks in particular to services that make construction more efficient and sustainable
- **Multi-year transformation** of the division is **going well**; further streamlining of offering and improvement in profitability
- **Consulting & Engineering activities** offer added value to customers and an attractive margin for Implenia

1) Currency-adjusted to HY1.2022 rates

SPECIALTIES – PLANNING AND IMPLEMENTING INNOVATIVE PROJECTS WITH SPECIALISED UNITS

Alster Schwimmhalle, Facade Technology, Hamburg, Germany



Cellforce Produktion, Construction Logistics (BCL), Reutlingen-Nord, Germany



Station expansion, Geotechnical Systems (BBV Systems), Groningen, Netherlands





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Finance Update

2023 Half-Year Results

POSITIVE CONSOLIDATED PROFIT IN FIRST HALF YEAR

Consolidated income statement (abridged)

CHF m

	HY1.2023	HY1.2022
Revenue	1,730.5	1,767.3
EBIT	49.9	95.1¹⁾
<i>EBIT margin</i>	<i>2.9%</i>	<i>5.4%</i>
Financial result	-14.0	-15.6
EBT	36.0	79.5
Taxes	-3.2	-15.4
Consolidated profit	32.7	64.0

- **Strong EBIT of CHF 49.9 million and 2.9% EBIT margin** thanks to profitable business in all Divisions; prior year period including above-average earnings contribution from Division Real Estate in HY1.2022
- **Financial result** better than prior year
- **Tax costs** lower due to capitalised loss carry-forwards
- Positive **consolidated profit of CHF 32.7 million** despite seasonality of business and challenging market environment

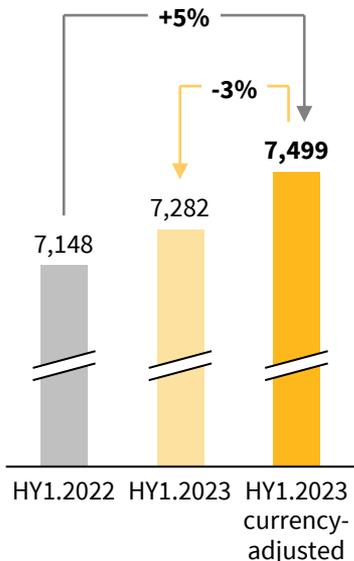
1) Incl. above-average contribution to earnings of CHF 70.9 million from sale of major projects in Winterthur and Baar

Differences due to rounding

FOREIGN CURRENCY EFFECTS HAVE NEGATIVE IMPACT ON ORDER BOOK, REVENUE AND EBIT

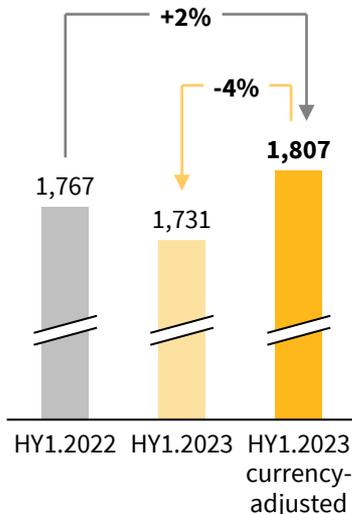
Order book

CHF m



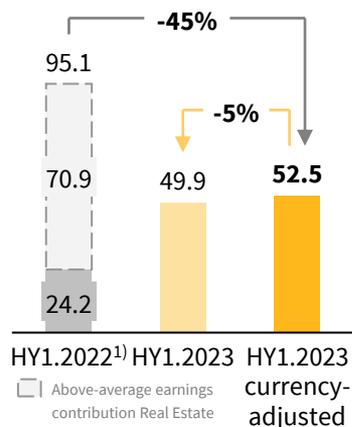
Revenue

CHF m



EBIT

CHF m



1) Above-average contribution to earnings of CHF 70.9 million from sale of major projects in Winterthur and Baar

- Negative foreign currency translation effect, mainly from NOK/CHF
- **Currency-adjusted order book up 5%** on prior year
- **Currency-adjusted revenue 2% higher than prior year**
- **Currency-adjusted EBIT of CHF 52.5 million**; previous year not directly comparable due to above-average earnings contribution of Division Real Estate
- Barely any transaction effects due to natural hedging within local units

STABLE TOTAL ASSETS DESPITE WINCASA ACQUISITION THANKS TO CONSISTENT FOCUS ON ASSET-LIGHT STRATEGY

Assets (abridged)

CHF m

	30.06.2023	31.12.2022	30.6.2022
Cash and cash equivalents	230.4	608.8	496.9
Real estate transactions	158.8	141.0	129.9
Other current assets	1,245.8	1,084.8	1,271.9
Total current assets	1,635.0	1,834.6	1,898.7
Goodwill	346.4	229.5	232.8
Rights of use from leases	185.8	156.7	150.4
Property, plant and equipment with revaluation model ¹⁾	82.8	75.7	76.4
Other fixed assets	541.1	457.0	469.6
Total fixed assets	1,156.0	918.8	929.2
Total assets	2,791.0	2,753.4	2,827.9

1) Valuation as at 30.06.2023 by independent external expert Fahrländer Partner AG

- **Cash and cash equivalents** seasonally lower and influenced by initial payment of Wincasa purchase price, real estate portfolio investments, promissory note repayment and dividend distribution
- Increased **property business; Implenla continues to invest** in its own attractive **real estate portfolio**
- **Goodwill and rights of use from leases** higher in HY1.2023 due to Wincasa acquisition
- **Total assets** stable despite Wincasa acquisition
- **Asset-light strategy** continues to be applied consistently

FURTHER INCREASE IN EQUITY RATIO TO 18.0% THANKS TO POSITIVE CONSOLIDATED PROFIT AND STABLE TOTAL ASSETS

Liabilities (abridged)

CHF m

	30.06.2023	31.12.2022	30.06.2022
Trade payables	604.8	625.7	681.2
Other current liabilities	962.0	974.3	1,019.5
Total current liabilities	1,566.8	1,600.0	1,700.7
Non-current financial liabilities	598.0	581.8	576.5
Other non-current liabilities	124.8	88.9	99.2
Total non-current liabilities	722.8	670.7	675.7
Total equity	501.4	482.7	451.5
Total equity and liabilities	2,791.0	2,753.4	2,827.9
Equity ratio	18.0%	17.5%	16.0%

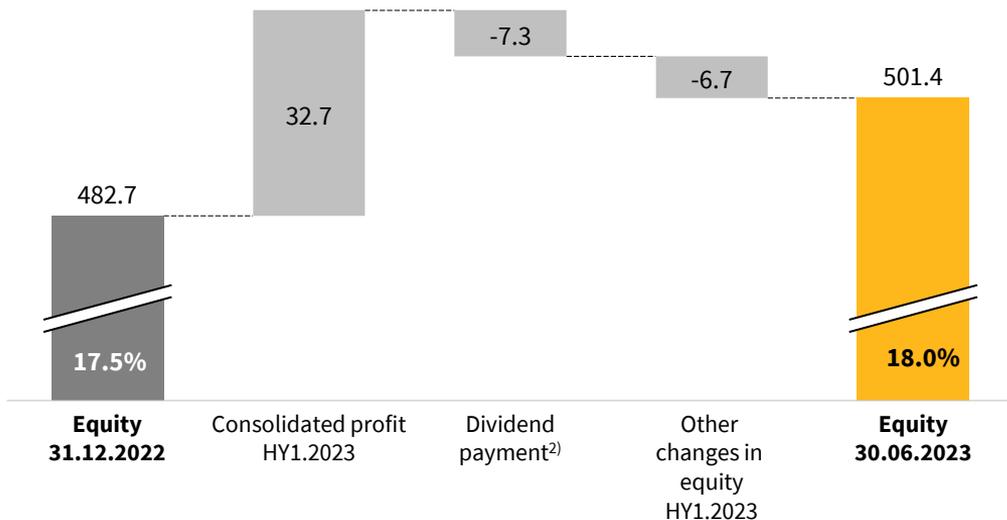
- Trade payables and other current liabilities largely stable despite Wincasa acquisition
- Slight rise in **non-current financial liabilities** compared with prior-year period, mainly due to assumption of Wincasa leasing liabilities
- Equity up to CHF 501.4 million**, further improvement driven by positive consolidated profit
- Equity ratio up to 18.0%**

Differences due to rounding

SIGNIFICANT INCREASE IN EQUITY TO CHF 501.4 MILLION THANKS TO POSITIVE HY1 CONSOLIDATED PROFIT

Change in equity

CHF m



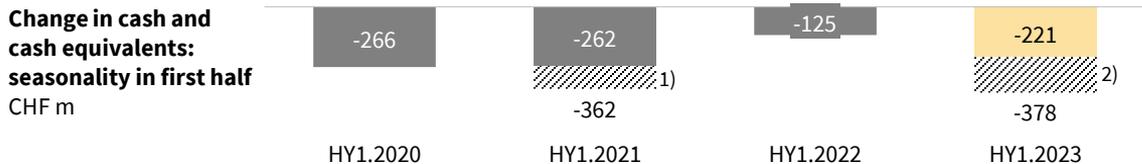
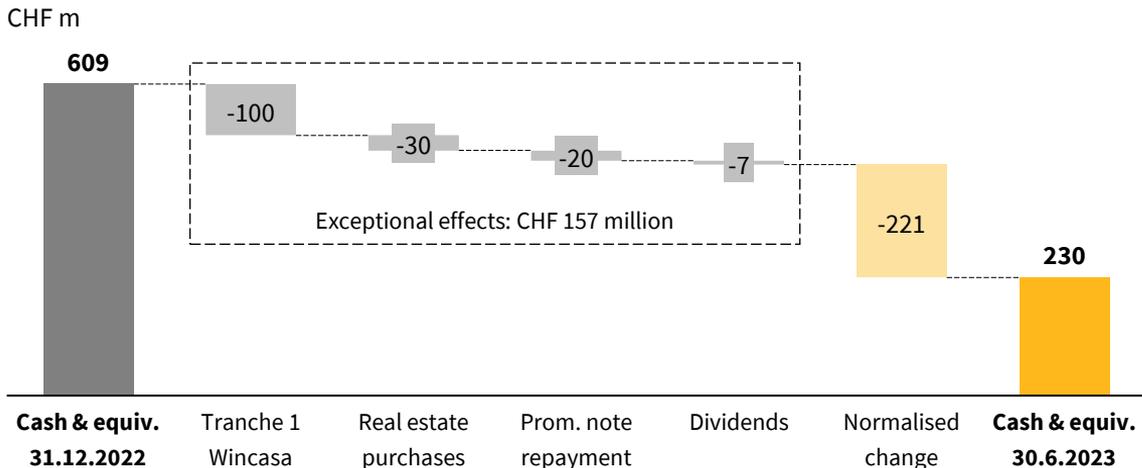
- Further strengthening of equity by CHF 18.7 million due to good HY1 consolidated profit
- Increase in equity ratio to 18.0% despite Wincasa acquisition and dividend payment
- If difference between book and market value of real estate portfolio¹⁾ were taken into account equity ratio would be significantly >20%
- Improvements in operating business reflected in balance sheet structure; on track for a sustainable equity ratio of >20%

1) Difference between book and market value of Real Estate portfolio as of 31.12.2022: CHF 210 million

Differences due to rounding

FIRST-HALF CASH FLOW SUBJECT TO SEASONAL INFLUENCES; SUSTAINABLE POSITIVE FREE CASH FLOW FROM PROFITABLE OPERATING BUSINESS

Change in cash and cash equivalents



- **Change in cash and cash equivalents** in first half seasonally affected as expected
- Expected exceptional effects in HY1.2023 include first tranche of Wincasa purchase price, real estate purchases, promissory note repayment, dividend totalling CHF -157 m
- **Cash flow** reflects, among other things, lower prepayments from customers due to rising interest rates; reduced trade payables
- **Free cash flow** excluding exceptional effects³⁾ amounted to CHF -180 million
- Sustainable **positive free cash flow** thanks to **profitable operating business**

1) Additional outflow from restructuring and legacy projects, provisioned in 2020 (negative CHF -100 million)

2) Additional outflow from exceptional effects: first tranche of Wincasa purchase price, real estate purchases, promissory note repayment, dividend (negative CHF -157 million)

3) Excl. repayment of promissory note and dividends, no influence on free cash flow

IMPLENIA CONFIRMS EBIT EXPECTATION FOR 2023 OF CHF ~120 MILLION

2023 profitability target

EBIT CHF ~120 million

Strong operating business at all Divisions; lower EBIT contribution from Real Estate as expected

Short to mid term target EBIT margin

~3.5% EBIT margin

Mid to long term target EBIT margin

>4.5% EBIT margin

Expected equity ratio 2023

>20%

Mid term expected equity ratio

25%



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MARKET OUTLOOK

2023 Half-Year Results

FORECAST FOR OVERALL EUROPEAN CONSTRUCTION OUTPUT SLOWS DOWN, SECTOR SPLIT SHOWS POSITIVE DEVELOPMENT FOR CIVIL ENGINEERING

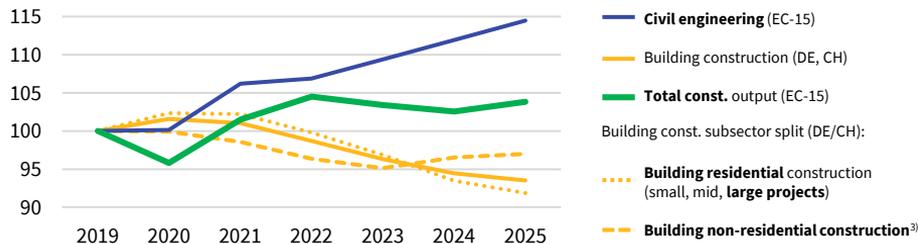
Overall construction output in relevant markets

Forecast average investment 2023 – 2025

		Buildings		Civil Engineering	
		EUR bn	CAGR ¹⁾	EUR bn	CAGR ¹⁾
	Switzerland	54	+1.5%	17	+0.7%
	Germany	373	-1.9%	91	+1.7%
	Europe (EC-15) ²⁾			424	+2.3%

Overall construction output by sector

Index 2019 = 100



Challenging market environment, some sectors more resilient

- **Inflation**, rising interest rates and higher financing costs, energy crisis and **general uncertainty** dampen development and construction activity, accentuated in Germany
- Government incentives and subsidies leading to **investment in mobility and energy**; focus on **climate and energy goals** has **positive** impact
- **Building construction** declining slightly, apart from non-residential subsector and general modernisation. New residential construction currently strongly declining
- **Civil engineering** with steady positive growth in our markets



- Strategically **well-positioned development and project portfolio** is **more robust** in a volatile economic environment
- Implenia has been able to mitigate much of the effects of inflation in the building industry through active management of **central procurement**, together with **operational units** and **back-to-back contract clauses**
- Further developments will continue to be closely and **actively monitored**, risks mitigated as best as possible, opportunities captured

1) Compound annual growth rate 2023 – 2025 (CAGR), 2) Incl. other Implenia markets Austria, France, Sweden, Norway

3) Schools, healthcare buildings, industrial, storage, office, commercial, agricultural and other buildings Source: Euroconstruct June 2023, Average Forecast Investments 2023-2025

IMPLENIA IDEALLY POSITIONED TO BENEFIT FROM THE OPPORTUNITIES PRESENTED BY MEGATRENDS AND CHANGES IN THE INDUSTRY

Population growth and urbanisation

- **Densification, vertical cities** as well as increasing **underground infrastructures**
- **Silver Society and demographic changes**

Investments in infrastructure

- Mobility infrastructure: further **expansion** and **networking, modernisation**
- Energy infrastructure: exploring and using **renewable energies**

ESG/sustainability and energy transition

- Need for economically, environmentally and socially **sustainable solutions**
- **Energy shortages** and focus on **climate and energy goals**

Digitalisation and industrialisation

- Digital, **efficient solutions** and data connectivity
- **Industrialisation, standardisation** and **technological innovations**



- **Strategic project portfolio and expertise** in dense urban environments
- **Attractive own real estate portfolio** in urban areas on good locations



- Expertise in **large, complex mobility and energy infrastructure**, underground and above ground
- **Modernisation and expansion** of existing infrastructure



- Leading in planning and execution of **sustainable real estate and infrastructure**
- **Consulting and reporting** across the **entire life cycle of buildings and infrastructures**



- Engineering and execution of **high-tech infrastructure** (data centres, networks, etc.)
- Competences in modern, **digital methods and technologies**



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**IMPLENIA IS
EXCELLENTLY
POSITIONED
FOR SUSTAINABLE
SUCCESS**



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EBIT of CHF 49.9 million; currency-adjusted revenue higher than previous year, order book further increased

Equity ratio raised further to 18.0%

Acquisition of Wincasa successfully completed

All Divisions are excellently positioned in the market, offering an attractive range of services

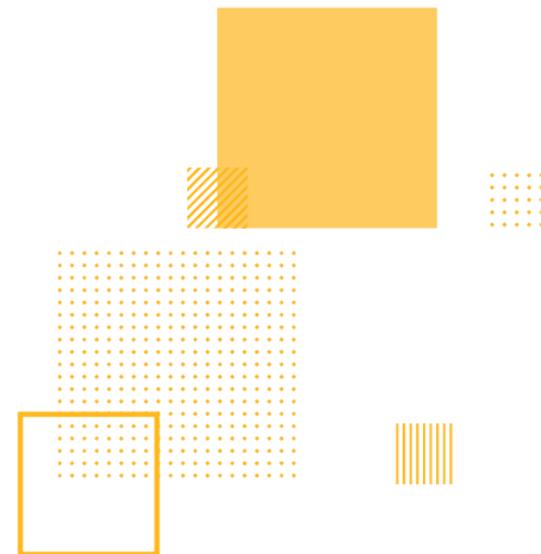
Financial year 2023: Expected EBIT CHF ~120 million and equity ratio >20%

**With strong first-half results
Implenia is on track to meet 2023 targets**

AGENDA AND CONTACTS

Agenda

2023 annual results	28.02.2024
Annual General Meeting	26.03.2024



Contacts

Investors	Jin Wiederkehr, Head Investor Relations	ir@implenia.com	+41 58 474 35 04
Media	Silvan Merki, CCO	communication@implenia.com	+41 58 474 74 77



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QUESTIONS & ANSWERS





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**THANK YOU
VERY MUCH!**

